

WASHINGTON STATE BOUNDARY REVIEW BOARD FOR KING COUNTY
SPECIAL MEETING AND PUBLIC HEARING MINUTES

PROPOSED INCORPORATION:
CITY OF FAIRWOOD (FILE NO. 2194)
(MARCH 27, 2006)

**Nelsen Middle School
Renton, Washington**

The following Minutes are a summary of the Special Meeting/Public Hearing for a Notice of Intention proposing the incorporation of a new City of Fairwood (File No. 2194). Complete written transcripts are available from the Boundary Review Board.

I. CALL TO ORDER

Charles Booth, Chair, convened the meeting of March 27, 2006 at 7:00 P.M.

II. ROLL CALL

The following members were present at the Special Meeting and Public Hearing:

Evangeline Anderson	Robert Cook
A.J. Culver	Lynn Guttman
Ethel Hanis	Claudia Hirschey
Roger Loschen	Michael Marchand

III. PUBLIC HEARING

INTRODUCTION:

Chair Booth stated that the purpose of the Special Meeting is to conduct a Public Hearing for a Notice of Intention proposing the incorporation of a new City of Fairwood (File No. 2194).

The Boundary Review Board is charged with the task of providing independent review and decision-making with respect to applications for municipal incorporations. Chair Booth described the standards for a quasi-judicial public hearing and the scope of the hearing. He explained the process for taking public testimony. Chair Booth opened the public hearing.

Chair Booth and Mrs. Hanis described the proposed incorporation as follows:

Chair Booth and Ethel Hanis reported that a community group, the Fairwood Task Force, submitted this Notice of Intention to the Boundary Review Board in November, 2004. The Task Force is proposing to incorporate 4500 acres located in the Urban Growth Area of King County.

The Boundary Review Board is conducting this Public Hearing in keeping with its statutory mandate (Chapter 35.02 RCW, Chapter 36.93 RCW, *et seq.*) in order to provide an opportunity for citizens to participate in the review of the proposed incorporation of a new City of Fairwood. The Boundary Review Board has scheduled public hearings to take place on March 27, March 29 and March 30, 2006.

Following the conclusion of the public hearing, the Boundary Review Board will deliberate and make a decision/recommendation with respect to the proposed Fairwood Incorporation. The Boundary Review Board is required to base its decision on several regulations and guidelines. Specifically, the Board must consider RCW 36.93, Sections 170 (Factors) and 180 (Objectives). This is the state law that creates and guides the board. These Factors and Objectives are printed on your agenda. The Board decision must also be consistent with the State Growth Management Act, with the King County Comprehensive Plan and with other regional plans and policies adopted by the proponent.

The Board can make a decision to approve the Fairwood Incorporation Area as proposed by the Fairwood Task Force. The Board can make a decision to modify the boundaries of the proposed Fairwood Incorporation Area as permitted by Chapter 36.93 RCW. The Board can recommend denial of the proposed new City of Fairwood.

Following the final decision/recommendation of the Boundary Review Board, Chapter 35.02 RCW mandates that an election is necessary to permit the citizens of the proposed Incorporation Area to ultimately decide whether to create a new City of Fairwood or to remain citizens of Unincorporated King County. If the Fairwood Task Force declines to request an election, then no incorporation can occur.

PROPONENT PRESENTATION: FAIRWOOD TASK FORCE (AARON MCLUEN, CHAIR),
PAULA HENDERSON, CHRIS SCHULTZ)

At the Special Meeting/Public Hearing of March 27, 2006, Fairwood Task Force representatives presented the proposed Incorporation Area. Following is a summary of the statement (including responses to inquiries).

Mr. McLuen reported that the proposal for incorporation of a new City of Fairwood resulted from a grassroots community effort beginning several years ago. This effort was launched by the Fairwood Task Force (a citizens' group) in response to residents' interest in establishing a local government. Additionally, King County officials stated that the community would experience both increased taxation and reduced service levels as the County intends to increasingly focus its resources upon providing regional services rather than providing local services. In November of 2004, the Fairwood Task Force, based upon research and feedback from local citizens, submitted a Notice of Intention for incorporation of a new City of Fairwood.

Mr. McLuen reported that the specific boundaries of the proposed incorporation area were selected based upon input from citizens of local neighborhoods, including Fairwood, Cascade and Spring Glen, and other unincorporated areas. The Fairwood Task Force was successful in collecting a substantial number of citizen signatures on petitions supporting incorporation of a new City of Fairwood.

The proposed Fairwood Incorporation Area is generally bounded to the west, south and north by Urban Unincorporated King County. Limited sections of the proposed Incorporation Area are contiguous with the City of Renton. The proposed Incorporation Area is bounded on the east by the Urban Growth Boundary/Unincorporated Rural King County.

The proposed City of Fairwood is substantially developed. The preponderance of development is residential – including primarily single-family housing, but also including multi-family dwelling units. Within the proposed City limits there is existing housing for persons seeking homes affordable at various income levels. There is also housing for seniors and for various other specific populations. The City would also include commercial development (e.g., Fairwood Shopping Center). Public facilities and amenities also would exist in the new City – including libraries, parks, open spaces, and recreation facilities.

There is some land that is vacant or suitable for redevelopment with residential uses, commercial uses, and public facilities. There is documented interest by community leaders – and by community members – in seeking opportunities for improvements to the range of housing opportunities (e.g., low-income housing), commercial opportunities, and public amenities (e.g., recreational facilities, senior services). There is also an understanding that improvements must be based upon sufficient planning and reliable fiscal resources.

Mr. McLuen reported that the Fairwood Task Force has considered needs – and resources – for providing basic services (e.g., police, fire, water, solid waste management). The new City leaders would need to determine whether Fairwood would be most effectively and economically served by local service providers or by contracting for established service providers (e.g., the King County Sheriff's Office, Renton Police Department, King County Fire District; King County Water District).

Mr. McLuen reported that the proposed boundaries of the new City of Fairwood were also established to address state laws (e.g., Boundary Review Board Act) and to be consistent with the King County Annexation Initiative. More specifically:

- Fairwood reportedly constitutes a natural neighborhood in which members share a sense of social and geographic community. (The Maplewood Addition community is included, as well, to avoid the creation of an island of unincorporated land.)
- In general the boundaries proposed for a new City of Fairwood correspond with physical and/or legal boundaries (e.g., roadways, water district boundaries, sewer district boundaries, fire district boundaries, urban growth boundary). As such the boundaries can be considered to be both regular and practical for purposes of governance and service.
- Fairwood is an urban community which is substantially developed with a range of residential uses – e.g., single-family homes and multi-family uses. The community has a stable commercial base that supports citizen needs.
- Boundaries established for the new City of Fairwood would not include all of the urban unincorporated land in the local urban area. The remaining area, located west of the proposed City of Fairwood and east of the City of Renton does not appear to be an island as it lies within the City of Renton's Potential Annexation Area. While boundaries could have been established for the proposed City of Fairwood to include urban areas to the west (e.g., Spring Glen), inclusion of those properties would not be consistent with the preference of the citizens of those areas to join the City of Renton.

Paula Henderson, Fairwood Task Force representative, reported upon the process undertaken by financial consultants, under the aegis of the citizens' group, to assess the financial feasibility of a new City of Fairwood. She stated that findings of the Task Force financial consultants demonstrated that a new City of Fairwood would be viable. Ms. Henderson detailed the study findings. In sum, she reported that, with careful (i.e., lean) budgeting, sufficient assets would exist at incorporation to support basic governance and appropriate service levels for the City.

Tax increases, if/when necessary to maintain equivalent basic services) are estimated to be achievable through reasonable assessments, such as a levy lid or utility tax. Improvements to services would like require new taxes – citizens would need to choose whether to accept new taxes in order to gain the revenue necessary to sustain/increase basic service levels or for improvements to the community.

Ms. Henderson reported that the Task Force findings were consistent with findings reported the Fiscal Feasibility Study for the Proposed City of Fairwood prepared by Berk & Associates (independent consultant).

Chris Schultz spoke to the interest of the Fairwood community in creating a new city for the purpose of solidifying community identity and the achieving of community goals (e.g., local services, facilities, and amenities) through local governance.

PRESENTATION OF FISCAL FEASIBILITY ANALYSIS (Berk & Associates: Brett Sheckler and Marty Wine

At the Special Meeting/Public Hearing of March 27, 2006, Berk and Associates representatives presented the Fiscal Feasibility Analysis for the proposed Incorporation Area. Following is a summary of the statement (including responses to inquiries).

Mr. Sheckler reported that the Fiscal Feasibility Study is an independent analysis intended to answer the following question: Is it financially feasible to incorporate a new City? The study framework was developed based upon the principles of the State Growth Management Act. The Study design was developed in consultation with citizens groups.

The Feasibility Study is intended to provide information for use by the Boundary Review Board in considering the viability of the new City. Study findings should also be of interest to citizens deciding whether or not to support the creation of a new city.

The Feasibility Study has as its primary purpose the determination of the types and levels of revenue (e.g., real estate taxes, sales taxes) that would be available to a new City of Fairwood. The Study also must identify and examine expenditures which the City would incur for provision of basic public services (e.g., capital facilities, operations expenditures).

Mr. Sheckler and Ms. Wine reported that the Feasibility Study finds that the new City of Fairwood would have modest resources, but that sufficient funding would exist at incorporation to enable the City to provide reasonable governance and core services.

At incorporation governance would be based upon resources and services levels generally equivalent to that presently provided by King County. Core services – such as water service, solid waste management, surface water management, roads management, police service, fire protection, emergency medical care – could be provided directly by the City or by contract with area service agents (e.g., King County Water District, King County Sheriff, King County Fire). Based upon the City's governance plans, monies may be provided through general funds and/or through dedicated funds in keeping with State law and King County regulations. Surplus funding, if available, could be placed in reserve or could be allocated to improved services.

Mr. Sheckler noted that the Fiscal Feasibility Study does not provide for funding for major near-term capital projects for the proposed new City because King County is currently completing a series of major (high-priority) capital projects which are anticipated to be sufficient to meet community needs for the foreseeable future. As the City's first task would be the creation of a Comprehensive Plan (including a Capital Facilities Plan), as required by State law, the City would have an adequate opportunity to create a vision and system for funding future capital projects.

Further, the Study finds that the City could provide for future improvements to government operations, planning goals, capital improvements, and service levels, consistent with citizen interests, through implementation of new taxes (such as levy lid lifts or utility taxes) and/or other new funding sources (e.g., grant funding, taxes, special fees).

Conversely, funds available from existing sources could prove to be insufficient to support planning required under the Growth Management Act. The City would encounter new costs, including, but not limited to the provision of low-cost housing, human services, and recreation facilities (e.g., King County Pool). Similarly, funds could be insufficient to maintain current service levels. The community would then need to consider plans and systems for such services and amenities. In some instances, it may be necessary for citizens to choose to support new funding sources or to agree to receive reduced levels of services and amenities.

The Fiscal Feasibility Study does not detail systems for raising funds, planning, or managing costs. The Feasibility Study does not address specific future funding scenarios because, at the present time, there is no specific plan by the Fairwood Task Force to seek new funds. Nor is there a commitment by citizens to support increased taxation.

However, the Study does find that potential increases in resources could also be available with new development of residential and commercial areas. Although the residential and commercial communities are largely built out there is some land available for new development. Redevelopment of existing residential and commercial areas also offers opportunities to provide a broader array of uses and increasing revenue sources for a new city.

Mr. Sheckler concluded that the Fiscal Feasibility Study reportedly finds that a new City of Fairwood could successfully provide for basic functions and future improvements in a manner that is similar to governance provided by other residential communities in the State of Washington.

IV. DETERMINATION OF THE STATUS OF THE PUBLIC HEARING /ADJOURNEMENT

At the completion of public testimony at the March 27, 2006 Special Meeting/Public Hearing for the proposed incorporation of a new City of Fairwood, Chair Booth instructed the Board with respect to procedures for continuation of the public hearing.

Ethel Hanis moved and A. J. Culver seconded a motion that the Boundary Review Board adjourn the March 27, 2006 Session of the Special Meeting/Public Hearing in the matter of the proposed incorporation of a new City of Fairwood and continue the Special Meeting/Public Hearing to March 29, 2006 at 7:00 p.m. at Nelsen Middle School in Renton, Washington.

The motion passed by unanimous vote. Chair Booth adjourned the meeting at 9:30 PM.